

Twenty-sixth Annual Report

of

**COMBINED METAL MINES
LIMITED**



For the Year Ended March 31st, 1965

COMBINED METAL MINES LIMITED

AUTHORIZED CAPITALIZATION

3,500,000 shares without nominal or par value

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc.	-	-	-	-	Toronto, Ontario
DAVID W. GORDON, F.C.I.S.	-	-	-	-	Toronto, Ontario
PHILIP E. BOYLEN	-	-	-	-	Toronto, Ontario
WILLIAM C. DURHAM	-	-	-	-	Toronto, Ontario
GORDON L. MOORE	-	-	-	-	Toronto, Ontario

OFFICERS

M. J. BOYLEN, D.C.L., D.Sc.	-	-	-	-	-	President
PHILIP E. BOYLEN	-	-	-	-	-	Vice-President
GORDON L. MOORE	-	-	-	-	-	Secretary-Treasurer
CHARLES B. BRANNIGAN	-	-	-	-	-	Assistant Secretary

HEAD OFFICE

330 BAY STREET	-	-	-	-	-	Toronto, Ontario
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AUDITORS

COSSAR, HECTOR, PAYNE & CO.,
Chartered Accountants,
Toronto, Ontario.

ANNUAL REPORT FOR THE YEAR ENDED MARCH 31st, 1965

COMBINED METAL MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

The 26th Annual Report of the Company, including its Balance Sheet and related financial statements and notes relative thereto for the fiscal year ended March 31st, 1965, and the Report of the Auditors, is presented for your consideration.

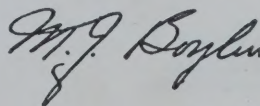
The Balance Sheet as at the end of the fiscal year in comparison with that of the previous year reflects only minor changes in the financial position of the Company. Subsequent to March 31st, 1965, however, and in response to the offering of rights as set forth in the Company's letter dated March 5th, 1965, Shareholders and the Underwriter subscribed and paid for 550,001 shares of the capital stock of the Company at the price of 20¢ per share, which provided a total of \$110,000.20 new financing for the Company.

The mining claims held in McGarry Township in the Province of Ontario, and the claims held under a Mining License situated in the Bathurst, New Brunswick area adjoining the No. 6 property of Brunswick Mining and Smelting Corporation Limited on the east, are maintained in good standing. No additional work was carried out on the Province of Ontario property during the past fiscal year.

The last work performed on the property of the Company in the Province of New Brunswick was in early 1964, and is described in last year's Annual Report. The results of this work were further assessed during 1964. The geological conditions existing on the property are very similar to those on the adjoining Brunswick claims where a large zinc-lead mine is now in production. Zinc-lead mineralization also occurs on the property of the Company. An extensive program consisting of detailed diamond drilling is now in progress to evaluate the base metal mineralization occurrences on the area covered by the Mining License held by the Company.

Subsequent to March 31st, 1965, the Company re-optioned a group of 21 mining claims situate in Cape Breton County in the Province of Nova Scotia due to additional geological information obtained by the Company's geologist as a result of work carried out on other mining properties in the area, and further exploratory work is now in progress on the claims held under option by your Company.

Submitted on behalf of the Board of Directors,



President.

Dated at Toronto, Ontario,
July 13th, 1965.

COMBINED METAL

Balance Sheet as

ASSETS

CURRENT ASSETS

Bank \$ 223.60

MARKETABLE SECURITIES — at cost — Note 1

(Quoted market value \$597,820.00) 355,707.63

OTHER INVESTMENTS — at cost 2,511.00

MINING PROPERTIES — at cost

Land held under mining license 850A in the Parish of Bathurst, County
of Gloucester, Province of New Brunswick, comprising 1,250 acres \$118,227.30

16 claims under Mining Land Patent and for mining license of occupancy
in the Township of McGarry, Province of Ontario 99,962.63

218,189.93

DEFERRED OPERATING EXPENSES

Per attached 228,417.42

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

\$805,049.58

MINES LIMITED

31 March, 1965

LIABILITIES

CURRENT LIABILITIES

Bank loan — secured	\$	5,000.00	
Accounts payable and accrued liabilities		7,205.65	
			\$ 12,205.65

OTHER LIABILITIES

Ontario - Prospectors Trust (Two units to be exchanged for 666⅔ shares of capital stock at 45¢ per share)		300.00	
			12,505.65

CAPITAL

SHARE CAPITAL

AUTHORIZED:

3,500,000 shares of no par value

ISSUED AND FULLY PAID: — Note 2

2,200,004 shares 1,502,367.50

DEFICIT ACCOUNT

No change during the year 709,823.57

792,543.93

\$805,049.58

COMBINED METAL MINES LIMITED

Notes to Balance Sheet

As at 31 March, 1965

NOTE 1

Marketable securities include 500,000 shares of Atlantic Coast Copper Corporation Limited with a book value of \$328,714.63 and a market value of \$585,000.00.

NOTE 2

As of 31 March, 1965 the company offered shareholders of record the right to subscribe for one new share for each four shares held at a price of 20¢ per share, such subscription rights to expire 30 April, 1965. The company also entered into an agreement with an underwriter whereby the underwriter has agreed to buy, on the termination of the above rights offer, all shares not purchased by shareholders.

NOTE 3

Subsequent to the balance sheet date, the company, upon payment of \$2,000.00, entered into an option agreement whereby it acquired exclusive rights to examine and explore, until 9 October, 1965, certain mining claims, with possible extensions to 9 April, 1967 in consideration for further payments totalling \$15,000.00.

The company may then transfer title of the claims to a new company or a company already incorporated with capitalization not in excess of 3,500,000 shares upon the additional payment of \$7,000.00 and the issue and allotment of 200,000 shares in said company.

Cossar, Hector, Payne & Co.

CHARTERED ACCOUNTANTS

443 UNIVERSITY AVENUE

Toronto 2

A. J. COSSAR, C.A.
R. H. B. HECTOR, C.A.
A. C. PAYNE, C.A.
A. D. COSSAR, C.A.
J. D. JACKSON, C.A.

TELEPHONE 364-5285

NEWMARKET OFFICE
255A MAIN STREET
TW. 5-6601

June 17, 1965.

To the Shareholders of
COMBINED METAL MINES LIMITED.

We have examined the balance sheet of Combined Metal Mines Limited as at 31 March, 1965 and the statement of deferred mine development and administrative expenses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of deferred mine development and administrative expenses present fairly the financial position of the company as at 31 March, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COSSAR, HECTOR, PAYNE & CO.,

Chartered Accountants.

COMBINED METAL MINES LIMITED

Statement of Deferred Mine Development and Administrative Expenses

	Total to 31 March 1964	Year ended 31 March 1965	Total to 31 March 1965
DEFERRED MINE DEVELOPMENT			
Diamond drilling	\$118,265.31	\$ —	\$118,265.31
Surface exploration	66,924.53	199.81	67,124.34
Assaying	3,307.05	—	3,307.05
Maps and blueprints	238.93	30.60	269.53
Mining licenses and renewals	16,444.71	312.50	16,757.21
Taxes, fees, etc.	8,435.62	453.76	8,889.38
General expense	786.94	—	786.94
Surveys	20,629.47	—	20,629.47
Engineering and automotive equipment	2,911.25	—	2,911.25
	237,943.81	996.67	238,940.48
Less: Development expenses of abandoned claims ..	108,046.65	—	108,046.65
	129,897.16	996.67	130,893.83
ADMINISTRATIVE EXPENSES			
Advertising	2,732.00	—	2,732.00
Legal and audit fees	9,101.56	250.00	9,351.56
Interest and bank charges	8,148.12	231.77	8,379.89
Head office expenses	39,071.04	3,411.59	42,482.63
Office supplies	4,845.44	2,070.79	6,916.23
Postage	3,119.77	331.29	3,451.06
Security, registration fees	3,942.34	90.00	4,032.34
Telephone and telegraph	673.71	—	673.71
Transfer agent and registration fees	19,363.68	815.93	20,179.61
Travel expense	3,714.54	—	3,714.54
Capital and place of business tax	370.00	60.00	430.00
Bad debt expense	788.44	—	788.44
Directors' fees	—	200.00	200.00
	95,870.64	7,461.37	103,332.01
	225,767.80	8,458.04	234,225.84
Less: Rents and sundry income	5,578.42	230.00	5,808.42
TOTAL DEFERRED EXPENSES	\$220,189.38	\$8,228.04	\$228,417.42